

DWS Concept Platow – October 2024 Report

The stock market got creepy just in time for Halloween. After treading water more or less “steadily” for almost the entire month of October, Germany's benchmark equity indexes suddenly got spooked and fell hard and fast during the final two trading sessions of October. At the closing bell on Halloween night, the DAX & Co. were all in the red. The blue-chip DAX retreated the least, while the small-cap SDAX index was spooked the most.

Top Ten Holdings
Munich Re
Talanx
Krones
Commerzbank
Hochtief
Vossloh
KSB
Allianz
Fuchs
Traton
31.10.2024, sorted according to weighting

In between with a likewise ugly return was the DWS Concept Platow Fund. Double-digit percentage losses from several portfolio stocks such as Aumann, Bertrandt, Cancom, GFT or Technotrans led to a ghastly monthly performance. Bechtle was the portfolio's biggest detractor due to its large weighting.

The stock led the list of decliners in October and it also dropped out of the fund's list of top ten positions (see table). A second profit-warning within the space of about three months was partly to blame for Bechtle's dreadful performance. And this bombshell dropped shortly after the management of the IT services provider had confirmed its guidance at a Capital Markets Day held in Frankfurt in the second week of October.

There were fewer companies on the list of winning stocks in comparison; only Einhell and Daimler Truck

delivered double-digit returns in percentage terms in October, closely followed by 2G Energy. Einhell benefited from the upward revision of its full-year outlook – yes, upward revisions were also announced during the "horrifying month" of October, like at Gea, Knorr-Bremse and Munich Re, but they were outnumbered by the guidance cuts. The impact of downward revisions on overall portfolio performance was limited, however, except for Bechtle as mentioned above: The DWS Concept Platow Fund had already gradually reduced its exposure to Jost Werke and Takkt before completely closing both positions during the month under review and the position in Deutz, which issued a profit warning, was likewise already small going into October.

Other companies in the portfolio did not revise their guidance but they did publish initial key data or results for the current reporting period, e.g. 2G Energy, Deutsche Telekom, Fuchs, Gea, Kion, Mensch und Maschine, Siemens, Stabilus, Traton and Vossloh. The latter “got tricked” by investors when it published results that were largely in line with expectations but the big thumbs-down reception from investors sent the company's shares screaming lower and Vossloh nearly closed the month with a double-digit percentage loss. And all on the last day of October – Halloween galore!

The good news is that Halloween is behind us, at least for this calendar year. Halloween-like feelings might pop up again in early November in connection with the US elections, but apart from that, November marks the beginning of a seasonal market phase that's actually more sweet than frightening for stock market investors.

Sincerely yours, Christoph Frank and Roger Peeters

Investment objective and strategy

The DWS Concept Platow is a mutual fund focusing on German equity. It was launched by DWS Investment GmbH. pfp Advisory GmbH is the portfolio advisor, which is managed by the managing partners Christoph Frank and Roger Peeters. An in-depth analysis of the entire German stock market is the basis for all investment processes. Important elements include a tried and tested stock-picking process developed by Christoph Frank, careful balance sheet analysis and hundreds of conversations with executives and other company insiders every year. The opportunities and risks presented by individual companies' equity are crucial, while macroeconomic considerations and inclusion in a stock index are mostly immaterial. That is why the DWS Concept Platow Fund's portfolio usually differs substantially from the composition of major stock indices.

pfp Advisory in portrait

pfp Advisory is an investment fund advisory firm located near the Frankfurt Stock Exchange that specializes in the analysis of equity and other securities. The customers are investment funds and professional investors. At the heart of the investment strategy is a systematic and extensive stock analysis that is focused on identifying the opportunities and risks of individual securities („stock picking“). pfp uses a combination of key ratio analysis, knowledge of listed firms and stringent long-term investment principles. The pfp's directors Christoph Frank and Roger Peeters each possess over 25 years of market experience and they have used their expertise to advise the DWS Concept Platow.

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